

July 30, 2020

**Testimony Regarding the Department of Human Services Budget  
House Finance Committee, Subcommittee on Human Services  
July 30, 2020**

Mr. Chairman and Members of the House Finance Committee, Subcommittee on Human Service

**United Way of Rhode Island (UWRI) is submitting commentary on the FY2021 Department of Human Services budget.** Along with the Raising Rhode Island Coalition, UWRI is committed to improving the economic security of families receiving Rhode Island Works benefits. RI Works is our state's safety net and workforce development program for low-income children and parents, currently serves around 3,500 families, including 8,500 individuals, 72% of whom are children. RI Works is funded through the federal Temporary Assistance to Needy Families (TANF) block grant. Rhode Island receives \$96 million annually in federal funds and must spend \$64 million annually in state funds as a "maintenance of effort" requirement. Presently, less than one-quarter of the federal funds are spent directly on families receiving RI Works benefits, and no general revenue funds are appropriated to the program

Currently, the monthly benefit paid to families enrolled in RI Works averages \$6/person/day. The benefit has not been adjusted in close to 30 years and is just 30% of the federal poverty level (FPL), leaving children and their parents and caregivers living in deep poverty. Rhode Island is the only New England state to not increase the benefit since 1991, consequently, the payment is the lowest in the region – which means Rhode Islanders receiving cash assistance are living in the deeper poverty than their other New England counterparts. The only other direct cash support that families receive is a yearly clothing allowance of \$30 for school aged children. The Department of Human Services (DHS) 2021 budget proposes increasing this amount to a one time \$100 payment. However, the statute (RIGL 40- 5.2-33) permits DHS to provide the payment only to 'school aged children'. This does not include the 1,884 infants and toddlers who will not be beneficiaries of this increase, and currently do not receive any funds for clothing. Rhode Island is in the midst of a financial crisis and while the financial crisis and economic disparities our families face existed before COVID-19, the pandemic further demonstrated just how critical it is to have a safe place to call home and to have our basic needs; like food and clothing met especially for the most vulnerable among us.

It would cost under \$200,000 to expand the one-time \$100 clothing allowance to all children. This would provide some financial relief to families who are struggling to make ends meet especially during these unprecedented times. Now more than ever it is our obligation as Rhode Islanders to support our neighbors and provide relief for those who are struggling to make ends meet. UWRI also respectfully asks the members of the subcommittee to consider increasing the RI Works monthly benefit as proposed in legislation submitted by Representative Morin (H-7345). The bill would increase the monthly benefit from 30% FPL to 50% FPL over the next two years, with an increase to 40% in FY 2021.

While Rhode Islander's struggle to get back to work and re-open schools we encourage members of the subcommittee to take the lead in addressing this egregious poverty in which our RI Works families are living. While 2020 has been a challenging year on so many fronts we urge you to consider how the recent pandemic has impacted families living below the poverty level and provide some relief for children living in impoverished conditions in our state, by increasing the benefit amount and also increasing the clothing allowance to all children in the family so that infants and toddlers may have access to fund for clothes too.

Our organization is responding proactively to the public health crisis and is working to prevent Rhode Islanders from losing their homes. For example, we have:

- Connected Rhode Islanders in need of rental and utility assistance such as the Housing Help RI program with our 24 hour call service 2-1-1.
- Raised over \$8 million dollars in partnership with the Rhode Island Foundation to grant out to non-profits that provide basic supports to those in need.
- Recently awarded an additional \$600,000 to RI nonprofits to help keep services running.

While we hope these efforts will decrease hunger and access to medical care, it is apparent we need to support Rhode Islanders who struggle to pay for their basic needs. More than one out of three Rhode Islanders spend more than 30 percent of their income on housing. When more financial resources are spent on housing there is a significant shortage for all of life's additional basic needs. **The RI Works Program is an important component of a larger economic development strategy to strengthen Rhode Island's economy. Our state cannot succeed without adequate support for the lowest income earners in our workforce and community.** Our financial crisis crosses income and generational lines.

To combat the financial crisis, United Way of Rhode Island respectfully requests that you support RI Works Families by increasing the benefit amount and also increasing the clothing allowance to all children in the family.

Thank you for your time and consideration.